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But number six, "Mr. Sangster stated during the discussion to address his concerns, that he observed three feet or 36 inches sagging of the pipeline during the last winter storm, February '98."

Now, it continued:

"36-inch sagging (deflection) is beyond the elastic range of the structural steel used for this pipeline. deflection equates to about 72 feet of unsupported span which is in the plastic This is well above the zone. recommended free span of 30 feet. If the 36-inch sagging had occurred, the steel should be beyond its elastic range, i.e., in the plastic range (a failed state). However, Venoco hydrotested the line on August 11, 1998 (after the February 1998 Storms) at 380 psi and found it acceptable for use. Venoco conducts hydrotesting of this line annually and the next scheduled hydrotesting is in August 1999."

The point is that they basically denied what was in the picture. If you read the new EIR, the draft EIR,

they finally admit that it did settle like three feet back in that storm. They say that it occurred from '96 to '98, but my pictures show that it occurred pretty much in February of '98.

So I'm concerned about the stresses related to the sagging and the free span. And in 2003, and listed in there, they did a stress analysis of I think it says the entire line. I have the report. They stopped the stress analysis at the bluff. They did not do any stress analysis for the section in the sand, or the intertidal zone, or beyond. They did pretty much up to the edge of the bluff.

The only reason that I could get from them is that they didn't have the money to do the rest of the analysis and, possibly, they don't have any data. They were looking for some of the drawings for that piece of pipeline back in '98, and when the county asked them to do a visual test, they determined that, well, since we're doing a visual test, we won't have to find the drawings.

But they then substituted, instead of a visual test, substituted the gull test, which in 2002 and 2003 still did not even cover that section of pipeline.

So we have essentially a blind spot that's been damaged, there's pictures, there's been letters from the county, representing that there is damage. You know, it has not been visually inspected and can't be inspected from

internally because of the bends, that's what we've been told.

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So the main concerns are the free span, the settling, the stresses associated with those and, you know, the lack of a stress analysis. There's also the cathodic protection, which they continually say that one measurement at the end of the line proves that the whole line's protected. That would be true if they have a active cathodic protection system.

If there are any passive anodes along the line, which you might see in the drawings, which we haven't seen, or if they've been maintained on the anodes that would be another source of a voltage. And if there are anodes along the line it would partially explain why some of the voltages actually start going up as we get farther away from the station.

Now, the cathodic protection is spotty, at best, and there might be periods of time in the past when it hadn't been protected so, you know, it might be okay now.

The other concern was the hydro testing. One hydro test, that I saw, there was actually a slight pressure drop. Nobody could tell me — it was a short test, like an hour test, or hour-fifteen minute test. They measured the pressure and the circle didn't go all the way around, so you couldn't actually visibly see the drop in pressure, but it

was very small, maybe 10 or 20 psi, but for the large volume, for the large piece of time -- for the short period of time it could be a relatively small leak. Where could that leak be, nobody knows.

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But, you know, the sixth concern or the sixth red flag occurred after I had sent letters to the operator, with my first five concerns. A fluke on the internet was discovered by me. They looked at it, operator said seaweed. The county said, well, if it was a leak, it would be visible all the time.

Well, they operate -- the pipeline is only under pressure once every two weeks, and it's a relatively low pressure. Understand, a small leak could form a lens of oil under the sand that could essentially burp up, exactly as you might expect in the photo on the internet, where you could actually see a point source and a plume, fully contained in the picture.

There's a second picture taken by the helicopter, like 15 seconds later, that shows the same plume that's moved, and you can also triangulate the location of the point source where it's coming out of the sand.

These pictures are very -- you can see plovers on the beach, if you look at them carefully. You can get the large, full-sized pictures and you can see birds on the beach. This plume might be eight-, ten-feet in diameter

and, you know, the source, it s probably covering like 10-, 15-feet of length.

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Anyway, my concerns and red flags will be all in my letter. All my concerns relate to that section of pipeline in the intertidal zone, in the sand, and in the surf, and I would strongly expect it to be inspected visually and repaired, and/or replaced, whatever it takes, you know, not before the next storm or not before the next time it's exposed, but before this lease is renewed. You know, just to settle this issue that has been going on since '98.

You know, it appears that the county -- I was told by the county last year that, you know, the county couldn't do anything about my concerns at that time, but the best and the only opportunity you have is essentially the oncoming EIR for the lease renewal. So, you know, that's basically why I'm here today. You know, the county neither would do anything beyond what they'd done, although now they do admit the line did settle, even though in '99 they said it couldn't have settled because it was broken, and the samething with the free span. You know, it's still indeterminate what the actual free span was.

Even in the report they mentioned, in 1988 or 1999, they did some sonic measurements of the pipeline in the sand. They actually measured not the hundred-foot

section, but they measured roughly 20 feet of the section that was first exposed in '98. It was actually buried in the sand in '98 and exposed in '98, and it was so far above the sand level that it was essentially suspended, there was like three feet of air space between it. And, you know, that section still retains some of its original wrap.

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The section beyond the first 20 or 30 feet had lost all of its wrap because it had been exposed back in '96 and further damaged in '98.

By the time the State Fire Marshall got down to the beach, everything except that last 20 or 25 feet had been reburied by the sand. The sand comes in quickly. It disappears quickly and it comes back quickly. So, I mean, there's a time factor. I mean, you can't wait for the storm and then wait for the low tides, and then wait for equipment, and permits, and stuff, you have to do something now, you know, before this lease is renewed, if you want to put our minds at rest, you know, that there's not an actual hazard out there.

It's not a potential hazard, this is a -- there's red flags. You know, give me one good answer on any of these concerns. You know, the operator asked at the SSRC meeting for my concerns in writing. They took them, they were happy with that situation. Then they wanted to make sure that they answered them all at the same time.

I've never received a letter from them, ever, concerning my concerns that I wrote back in 2001. And the picture in the internet came out in December 2001. It was taken in September, I saw it in November of 2001.

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Anyway, it will all be in my letter. Thank you.

MR. GILLIES: Good, thank you.

MR. STRAIT: Thank you. Look forward to seeing your letter.

The last speaker slip I have is for a Carla -- the second to the last speaker slip, then, is for a Carla Frisk, from GOO, which I'm assuming stands for "Get Oil Out."

MS. FRISK: My name is Carla Frisk and I'm representing Get Oil Out Today, an organization that was formed after the 1969 oil spill, and it still working, monitoring oil development and related activities in Santa Barbara County.

So GOO wants to join the League, and others that have spoken today, in welcoming the State Lands Commission staff to our town, and we thank you very much for coming here, to Goleta, to allow members of the public to comment on the Draft EIR for the Ellwood Terminal lease extension.

We are fairly pleased to finally have this long-awaited document before us to review. As I'm sure you're aware, it would have been really great, and it was not Venoco that owned this project at the time, had we

had -- we'd been going through this process in 1993, which we didn't, and now it would have been even better if we had been going through this process in 2003, and now we're already at 2006.

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So while we're still reviewing the document, one thing is certainly clear, a lot has changed since that 1983 lease was approved or even since 1993. Even though this, I guess technically, is a renewal for ten years, we know that we're already well into that period.

So it's unfortunate that we did not have the valuable information contained in the Draft EIR at that time, or even earlier.

Given all the mitigation measures that must be added in order to make the approval of the lease extension possible, we are probably lucky that we have had no spills in the last 15 years.

And I think that addresses, certainly piggy-backs on some of the same concerns that the gentleman has been talking about the pipeline.

Before I make some of the specific comments on the Draft EIR and raise some questions that we believe need to be answered, still, in the final, GOO wants to reiterate its overall concern about the fact that we are dealing with nonconforming uses and very aging facilities here, some of which were constructed in 1929, originally.

The main policy question raised by these two points, how long should these legal, nonconforming uses be allowed to continue is something that we're going to have to grapple with at the decision-making time. But it seems that the risk of environmental damage goes up the older these facilities get.

Nowhere else in the State does there exist a similar operation. In other words, the entire marine -- Ellwood Marine Terminal operation is, in terms of what would be even considered approval in today's world, a dinosaur.

So onto the Draft EIR. We have several specific questions and comments, as follows, and we will also be submitting written testimony. It's a pretty big, fat document, still looking through it, trying to get through some of the more technical information.

But there's three very specific areas that we would like to comment on, now, we think that are very significant.

In the document, in several locations, but specifically on page 2-11, it indicates that the number of terminal barge calls will gradually increase until the expiration of the lease in 2003, up to 88 barge calls per year.

I guess when the Notice of Preparation came out, we read that and at that time submitted testimony that we

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believed that there should be a cap, because the current 4,000 barrels was what we thought that this project was specifically going to address, that it was going to address the current situation.

Now, in the ETR, it indicates that there was the redrill proposal in 2001, that was approved, and it might bring up to an additional 2,000 barrels of oil per day, but there was no mention, that I could find in the ETR, about where the other 7,000 barrels might be coming from.

And so more information is really needed. It vaguely mentions that there might be other redrill projects, but it's very vague and there's just a total lack of information on that, at this time.

barrels are coming from, whether they're related to fullfield development, what are they related to. Because,
again, I think our original concept of this project was that
it was to allow the current existing situation only to
continue until 2013, and that there would actually, really
be no increase unless it went, you know, beyond the 2001
redrill at this time.

So that's a very large concern to us and we'd like some clarification in that area.

The second area of major concern is alternatives.

As far as we can tell and, again, in your presentation you

indicated that the only real alternative is the no project alternative. And that listed under the no project alternative are two possibilities, and it was discussed earlier, the truck transportation and pipeline transportation.

So the no project alternative actually assumes that if the lease is not extended, that it doesn't assume abandonment, it assumes some other form of transportation.

It is our understanding, as it was referred to earlier, by one of the speakers, that the county's oil transportation polices, that have been enacted since 1985. These are not new policies, this is not any news to anybody, but the county prefers pipeline transportation and since that time certain amendments have been made moving even more in that direction.

That in any case, it's our understanding that trucking from the Ellwood Onshore Facility to Carpinteria, other than for emergency, simply would not be allowed under county ordinance. And if that, in fact, is true and we've asked for clarification on this, this alternative should be eliminated from the document. We shouldn't waste any further time on it, if it's not -- can't be done.

So that leaves us with the no project alternative, with abandonment, immediate abandonment, and the no project alternative with pipeline transportation.

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And we want to note that the pipeline transportation should also be considered as a completely independent alternative. There's no reason that this alternative cannot exist on its own, as evidenced by the fact that Venoco has a currently application, now, in the environmental review process, for exactly this pipeline.

Establishing the pipeline alternative, as a separate alternative, is important because it would allow that to be possibly chosen as the environmentally superior alternative. And we think that has a lot of merit, we think it should be able to float to the top and see if, in fact, that's the way to go.

The way I understand it, reading the EIR, though, as long as it remains under the no project alternative, as a subset to that, it may not necessarily be chosen as the environmentally superior alternative.

Another item on inspections, and this was even reinforced for us, listening to the testimony of an earlier speaker, is that in reviewing the document there's a lot of discussions in the mitigation measures and in the document about a variety of inspections. Inspections for tank, inside inspections, outside inspections, pipelines, inside/outside, onshore/offshore, et detera. And unless I just haven't found it yet, I think what would be really helpful is if we could have, somewhere in the document, a

chart that shows those three components or more, if there are, that have to be inspected, when they have to be inspected, by whom they have to be inspected, what the current situation is, and what the additional mitigation measures, that are being proposed in the EIR would add onto that.

My assumption was, in reading the mitigation measures, that they were mitigation measures because they currently weren't being done, but that may not be a correct assumption.

So I think we need to get really clear on what are the current requirements, what are the proposed requirements through mitigation measures, and are those adequate. And I noticed, in some cases, they said every ten years. Well, we don't have ten more years until 2013. And depending on when this gets actually renewed and approved, we may not even have that five years.

So again, depending on when those have to be done. So I think that would be very helpful to have a chart for us more lay people to look at and say, okay, this looks like it's really well covered or it's not really well covered.

We're going to continue to go through the document and try to see if there are any other items, but just the two that popped out of us, initially, we're on page 2-31, is inaccurate with regards to the status of the full-field

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development application. It indicates that that application was done incomplete but it is currently, actually, now in the environmental review process:

I think it would be good to have that corrected and it might be interesting to look at how far these two processes are apart.

Page 215 does not indicate that Tank 8264 has been returned to full service, but I've been told by someone at the county staff level that that, in fact, is true. I think it would be good to have that information included.

So again, we will be looking to see if there are any other of these smaller items, but we really hope to see some changes in the ETR with regards to those three larger items.

Thank you.

MR. STRAIT: Thank you, Mrs. Frisk. Before you sit down. I do have one question about your speaker slip. You've both circled and put a line through the "yes," for the mailing list.

MS. FRISK: It's a circle.

MR. STRAIT: Okay, you want yes? Well, it is circled, it's got both. All right, so you want to be on the mailing list?

MS. FRISK: I want two copies. No, I'm just kidding, one copy's fine.

MR. STRAIT: We've got boxes of them.

MS. FRISK: I think I want to get on the list.

MR. STRAIT: And the new last speaker slip that I have is for a Lee Moldaver, with the Citizen's Planning Association of Santa Barbara County and The Coastal Resource Center.

MR. MOLDAVER: Good afternoon, I am Lee Moldaver, representing the Citizen's Planning Association of Santa Barbara County and The Central Coast Coastal Resources Center.

I also want to thank the staff of the State Lands
Commission for joining us here and bringing excellent
weather with you. Hopefully, you'll leave it behind when
you must depart.

I want to indicate, for the record, that I've actually received the draft and it has many utilitarian functions besides imparting information so, you know, you might be able to recycle used copies for other purposes.

But I do believe, having worked in this area for many years, that under CEQA it does meet the standard of a good-faith effort to do an accurate and complete assessment of potential adverse impacts from the project.

So I wanted to thank you and your whole consultant team for doing that.

I'd like to say, in a preferatory comment, before

I indicate that I, personally, agree with all of Mrs.
Frisk's comments and would like to have that in the record,
that she's been one of my personal heros for many years.
And some of you may be aware that she represented this area,
for a number of years, on the staff of the State Coastal
Commission and, thereafter, she was the Senior Local Field
Representative for first Assemblyman and then Senator Jack
O'Connell. And her knowledge, therefore, which she brings
to Get Oil Out Today, about environmental planning and CEQA
issues for energy, on and offshore, and in the Channel and
its resources, are way beyond the average lay person who
usually would share their testimony with you.

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The Citizens Planning Association is a locally based, 46-year young, nonprofit. It's centered exclusively in Santa Barbara County and works on land use and resource management issues.

And our association, under the leadership of former presidents Bob Klausner and Mary Looker, in the early and mid-1980's, and under Executive Director Michael Feeney, and Senior Intern Jackie Campbell were very, very active in working with the State Lands Commission, and with Santa Barbara County, and with three federal agencies to set up the standards that we're now reviewing.

The Citizens Planning Association is also a member of the Santa Barbara County Oil and Energy Coalition, and I

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believe that members of the Coalition will be speaking in greater detail, after the dinner break, on specific areas of the EIR that they would either like to see corrected, or have more information added to them.

I am also speaking on behalf of the Coastal
Resource Center, which is a Central Coast operation for the
Tri-Counties, that was established with this building,
actually, under I believe Assemblyman Jack O'Connell,
through the auspices of the Coastal Conservancy.

And we review, for educational and public informational purposes, all projects on and offshore, that might have a significant affect on the public's ability to either enjoy the natural resources in the Channel, or on the coast, or usability to enjoy them might be impacted by adverse issues.

In that role, we're going to be submitting written comments and I want to thank you for the advisory on that they must be received by 4:00 p.m. on the 15th, and not merely postmarked.

Finally, as a member, as well as Mrs. Hannah, of the Air District's Advisory Committee, I'd like to note for the record, and I think CAPCOA has already submitted a written comment in this area, in that Terry Dressler, from the Air Pollution Control District for this area, has submitted a comment, that the largest and fastest growing addition to the air pollution inventory for this District comes from marine tanker and freighter traffic through the Channel.

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And this would include, of course, the Venoco barge. And the more trips that the barge makes, the further into non-attainment with the State's standard our District falls.

And I notice that the recommendation, in the air quality section, takes not of that fact and urges that when the barge is refitted, as per your comments on the double hull, that you go for the best available control technology on all emissions, both in terms of the operation of the existing lease hull, and in terms of the transport technology.

And I would like to second what Ms. Frisk has put into the record, that since this has been a nonconforming use that's been going on for years, we would urge the State Lands Commission, as part of the review of this project and certainly part of the review of the lease extension, to work with Venoco and to insist that best available control technology, both onshore and with the barge, be implemented as quickly as is humanly possible. The technology exists, now.

And I know Venoco has been trying to play catch up with the former operators of the facility, but given the

inventory and that this is the fastest growing cause of pollution on and offshore, throughout the entire Southern California area, from here all the way down to the ports of L.A. and Long Beach.

We would hope that you would pay special attention to that part of the EIR.

Again, I'm hoping that members of the Oil and Energy Coalition, and from CPA, Merrel Brooks will be giving you a more detailed comment on specific sections of the draft, after the dinner break.

Thank you.

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MR. STRAIT: Thank you, Mr. Moldaver.

MR. GILLIES: All right, I think that's it on the public comments. We appreciate everybody coming and we plan to take these comments into consideration, and then all the written comments we get on September 15th. They'll be incorporated in our final Environmental Impact Report that will be prepared, and then that would be submitted to all the people who commented. And from there, it will go to our Commission.

The final document will go out before our Commission meeting, and then when our Commission meets, they'll take this up, certify the document, and then the next step would be to approve the project or not approve the project, it would be up to the decision-makers.

And you're welcome -- that's a public meeting, as well, and there will be an announcement as far as when that meeting would be held.

Yes?

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MS. FRISK: I may have missed it, but do you have a projection as to when the Commission will have something for it? I'm assuming they will have certification and also consider the project on a State --

MR. GILLTES: Yeah, typically, we do that, take up the environmental document, certify the document, and then they make a decision on the project at that same meeting, because they only meet every two months, and I believe the schedule is, I think, beginning --

MR. STRAIT: A meeting in October.

MR. GILLIES: In October, that's the next meeting and then December. And depending on how soon we address the comments and get the final out.

MR. RADIS: I think we miss the December meeting.

I don't have the schedule right handy, but I think when I looked at the schedule we would miss December, so it would be the following meeting.

MR. GILLIES: Which would be February?

MR. RADIS: February.

MS. FRISK: Do we know where that meeting will be or we don't?

MR. GILLIES: Typically, the last meeting we had, last week, was in El Segundo. The next meeting's in San Diego. They kind of move it North and South California.

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MS. FRISK: I know they haven't met in Santa
Barbara in a long time, and we would certainly love that.

I'd like to make a request that they would come here.

MR. GILLIES: Well, that's something we can recommend to the --

MS. FRISK: But I do know they have met in Ventura and I think if we could try to get the meeting as close to -- I mean, that's kind of halfway from L.A. -- or not halfway, but a little closer -- that would be -- I think there are a lot of people that would like to attend and there's going to be, I think, more of the public as the whole deal thing starts to go through.

People are going to become more aware of how these -- all things, at least 421 and all these are kind of linked, and I think we are going to see more people being interested.

But a lot of people just cannot drive to

L.A., or San Diego, or Sacramento to get their -- you know,
to express. So the first choice is Santa Barbara, the
second choice would be --

MR. GILLIES: And I'm sure the Commissioners would like -- and, actually, our Commission makeup, after the

November election, will be a different Commission, we'll have a new --

MR. STRAIT: Potentially.

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MR. GILLIES: No, we'll have a new Lieutenant
Governor and we'll have a new State Controller. And then
the Department of Finance is appointed by the Governor. So
we'll at least have two new Commissioners.

And, you know, I think this is a contentious item and I'll broach it to our Executive Officer, to make that suggestion to do that, and I would recommend that, too.

You know, when we come down here, we really want the public input on our documents, and we appreciate your participation.

MS. FRISK: Appreciate it.

MR. GILLIES: With that, I think we'll go ahead and close the meeting, if no one has anymore questions or comments?

And then, if you wish, as Peter mentioned, we have a six o'clock, we're going to do the same presentation and take public comment at that time for folks who couldn't make the three o'clock.

MR. STRAIT: It will be a repeat of the meeting you just attended, so same thing, same steps, same little green forms.

3336 BRADSHAW ROAD, SUITE 240, SACRAMENTO, CA 95827 / (916) 362-2343

Thank you all very much for attending and thank

#### CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California State Lands Commission public hearing on the EIR for Ellwood Oil Development and Pipeline Project was recorded by my staff, thereafter transcribed into typewriting, and personally proofread by me.

I further certify that I am not of counsel or attorney for any of the parties in this matter, nor in any way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of September, 2006.

Ronald J. Peters

Certified Shorthand Reporter

License Number 2780

Certified Manager of Reporting Services Registered Professional Reporter

### CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF

A DRAFT ENVIRONMENTAL IMPACT REPORT

FOR ELLWOOD OIL DEVELOPMENT AND PIPELINE PROJECT



GOLETA COMMUNITY CENTER

ROOM 1

5679 HOLLISTER AVENUE GOLETA, CALIFORNIA

WEDNESDAY, AUGUST 30, 2006 6:00 P.M.

## APPEARANCES

Peter Strait, Project Manager California State Lands Commission

Eric Gillies, California State Lands Commission Steve Radis, Marine Research Specialists Greg Chittick, Marine Research Specialists Steve Greig, Venoco, Inc.

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### PROCEEDINGS

MR. STRAIT: Okay, we are the State Lands

Commission. My name's Peter Strait, the Project Manager for
the Venoco Ellwood Marine Terminal Lease Renewal Project.

We're opening this meeting for public commentary based on the Draft Environmental Impact Report that was issued on July 31st, 2006. Which means the public commentary period will be ending at September 15th, 2006.

MR. GILLIES: Are you going to do the whole thing, we were going to close it, now.

MR. STRAIT: Well, yeah, I'm going to -- it's my first time, I could use the practice.

MR. GILLIES: Okay.

MR. STRAIT: I wasn't going to do the whole thing,
I was just going to do that and then say that since there is
no one at this meeting, that did not already attend the
three o'clock meeting, and no other members of the public
have shown up, we are going to open the meeting for 15
minutes and if anyone arrives or has comments, we will take
them and put on our presentation, if need be.

Otherwise, we will be closing the meeting in about 15 minutes.

Does that sound good?

MR. GILLIES: No. we did close it.

MR. STRATT: Okay. Well, 15 minutes ago we --

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MR. GILLIES: Yesh, because we went from six 1. o'clock until 6:15. MR. STRAIT: Oh, it's already -- okay, yeah, and so we -- all right, retroactively, we are opening it at six o'clock and we're closing it, now, at 6:15. So we're closing the meeting of the Commission. (Thereupon, the August 30, 2006, 6:00 p.m. meeting and public hearing concerning the EIR for Ellwood Oil Development and Pipeline Project, was adjourned.) 

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